



Economic Impact Analysis Virginia Department of Planning and Budget

27 VAC 27-10 – Public Participation Guidelines
Board for Towing & Recovery Operators
June 4, 2007

Summary of the Proposed Regulation

The Virginia Board for Towing and Recovery Operators (Board) proposes to promulgate new Public Participation Guidelines. The Board was established by the 2006 Acts of the General Assembly. The proposed regulation will provide guidelines for the involvement of the public in the formation and development of the Board's regulations.

Results of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The 2006 Acts of General Assembly (HB 1258; CH. 874/SB 134; CH. 891) establishes a new Board for Towing and Recovery Operators to license and regulate the towing and recovery industry and tow truck drivers. The Board went into effect July 1, 2006. Licensure, regulation, and enforcement of standards of practice are to go into effect on July 1, 2008. The Board proposes to promulgate the Public Participation Guidelines using the fast track process so as to allow for public participation in the formation and development of its professional practice regulations.

According to the proposed regulation, any person may petition the Board to develop a new regulation or amend an existing regulation. The board shall receive, consider and respond to a petition within 180 days, and shall have the sole authority to dispose of the petition.

The proposed regulation requires that the board shall maintain lists of persons who have requested to be notified of the initial formation, development, amendment or repeal of regulations. Any person may request to be placed on a notification list by indicating so

electronically or in writing to the Board. Persons on the notification lists shall be mailed or have electronically transmitted the following documents related to the promulgation of regulations: 1) a notice of intended regulatory action (NOIRA), 2) a notice of the comment period on a proposed regulation and instructions as to how to obtain a copy of the regulation and any supporting documents, either electronically or from the board office, and 3) a notice soliciting comment on a final regulation when the regulatory process has been extended.

The board shall issue a NOIRA whenever it considers the adoption, amendment or repeal of a regulation. The NOIRA shall state the purpose of the action and a brief statement of the need or problem the proposed action will address. The NOIRA shall indicate whether the board intends to hold a public hearing on the proposed regulation after it is published. If the board does not intend to hold a public hearing, it shall state the reason in the NOIRA. If prior to the close of the 30-day comment period on the NOIRA, the board receives a request for a public hearing on the proposed regulation from at least 25 persons or if the Governor directs the board to hold a public hearing, such a hearing shall be scheduled.

Prior to the 60-day comment period, the board shall issue a notice of comment period (NOCP) whenever it propose to initiate, amend or repeal a regulation or amend an existing regulation under a fast-track process. The NOCP shall indicate that copies of the proposed regulation are available electronically or from the board and may be requested in writing from the contact person specified in the NOCP. The NOCP shall indicate that copies of the statement of substance, issues, basis, purpose, and estimated impact of the proposed regulation may also be requested in writing. The NOCP shall make provision for comments pertaining to the proposed regulation by regular mail, facsimile or electronic means. With the exception of comment received at a scheduled public hearing, oral comment shall not be accepted.

The Board shall also post a notice of meeting with description of the subject electronically on the Virginia Regulatory Town Hall and transmit it to the Registrar of regulations for inclusion in the Virginia Register, for any meeting at which the formation, amendment, repeal, or adoption of a regulation is anticipated.

The proposed regulation will create a benefit by allowing for the participation and oversight of the public in the rule making activities of the Board, which will likely exceed the projected one-time expense of printing and mailing copies of the regulation to future licensees.

Businesses and Entities Affected

The proposed regulation will affect operators of towing and recovery businesses, businesses and individuals using the services of towing and recovery business, and localities with specific rules and regulations pertaining to the towing and recovery industry including Newport News, Virginia Beach, Norfolk, Fairfax, and Prince William. The proposed regulation will also affect any other persons or entities that are interested in the board's regulations. The Board estimates that there will be around 3,000 licensees by the time licensure is required on July 1, 2008, with 1,500 of them being businesses and the other 1,500 being operators and drivers.

Localities Particularly Affected

The proposed regulation will affect all localities in the Commonwealth. It will particularly affect localities that have specific rules and regulations pertaining to the towing and recovery industry, including Newport News, Virginia Beach, Norfolk, Fairfax, and Prince William.

Projected Impact on Employment

The proposed regulation will likely not affect employment.

Effects on the Use and Value of Private Property

The proposed regulation will likely not significantly affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed regulation will provide the small businesses with guidelines to participate in the formation and development of the Board's professional practice regulations, which will benefit the small businesses. According to the Board, there are approximately 1,500 small towing and recovery businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulation will not adversely affect small businesses.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.